



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution in Support of the City of Lodi Electric Utility's Energy Efficiency Program Targets, as Mandated by State Law (EUD)

MEETING DATE: September 5, 2007

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution in support of the City of Lodi Electric Utility's Energy Efficiency Program Targets, as mandated by State Law.

BACKGROUND INFORMATION: Assembly Bill (AB) 2021 was signed into law last September. This new state law requires each publicly-owned utility to establish, on a triennial basis, individual utility targets for energy conservation over the next ten years. This information is a key input to the California Energy Commission (CEC), which is required to establish a statewide energy efficiency target, consulting with each of the publicly-owned utilities, as well as the investor-owned utilities, and the California Public Utilities Commission (CPUC).

In order to establish these energy efficiency targets, the Northern California Power Agency (NCPA), Southern California Public Power Authority (SCPPA) and the California Municipal Utilities Association (CMUA) joined forces to retain a firm that would conduct the analytical work required to assist each publicly-owned utility (like Lodi) in developing the actual target. The Rocky Mountain Institute (RMI) was the selected vendor for this work. RMI then created a computer-modeling tool that was used by each publicly-owned utility in the development of their individual energy efficiency targets. This process took all of the utilities several months to complete. Once each utility had developed their individual target, the information was collected by NCPA/SCPPA/CMUA and submitted to the CEC in late June of this year. Lodi's energy efficiency program target for the next ten years (2007 to 2016) is 20,001-megawatt hours (MWh) of electricity, an approximate 39 percent increase over current energy efficiency levels.

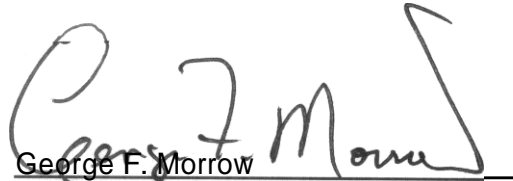
The final element required under AB2021 is for each utility to receive local governing board support of their individual energy conservation target. This must be completed by September 30, 2007.

By way of this Council Communication and the attached resolution, the Electric Utility Department respectfully recommends approval of Lodi's energy efficiency (aka conservation) program target, and this resolution in order to be in compliance with state law.

FISCAL IMPACT: In order to meet the energy efficiency target, it is anticipated that approximately \$550,000 per year will need to be expended *annually* over the ensuing ten-year period. The effect of this expenditure is effectively zero, as these funds are already being collected and allocated annually from the Lodi Public Benefits Program under the category of demand-side management, as well as administrative program support.

APPROVED: 
Blair King, City Manager

FUNDING: Lodi Public Benefits Program Fund

A handwritten signature in black ink, appearing to read "George F. Morrow", is written over a horizontal line.

Electric Utility Director

Prepared By: **Rob** Lechner, Manager, Customer Service and Programs

GFM/RSL/lst

Attachment

RESOLUTION 2007-180

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
THE ESTABLISHMENT OF THE LODI ELECTRIC UTILITY
ENERGY EFFICIENCY PROGRAM TARGETS

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WHEREAS, California Assembly Bill 2021 (Section 25310 of the Public Resources Code) requires all publicly-owned utilities to identify all potentially achievable cost effective electricity efficiency savings and establish annual targets for energy efficiency savings and demand reduction for the next ten-year period; and

WHEREAS, each publicly-owned utility is required to adopt those targets by September 30, 2007, and to report adopted targets to the California Energy Commission; and

WHEREAS, it is important that there is broad-based public power compliance with Assembly Bill 2021 on a statewide basis; and

WHEREAS, Northern California Power Agency, California Municipal Utilities Association, and Southern California Public Power Agency contracted with the Rocky Mountain Institute, an independent organization with well accepted energy efficiency expertise in the energy industry; and

WHEREAS, the Rocky Mountain Institute provided a modeling tool to help publicly-owned utilities identify energy savings potential and establish energy efficiency program targets; and

WHEREAS, the Lodi Electric Utility utilized the modeling tool and established energy efficiency and demand reduction targets for the next ten years (2007-2016) to be 20,001-megawatt hours (MWh) of electricity, an approximate 39 percent increase over current energy efficiency levels.

NOW, THEREFORE BE IT RESOLVED that the Lodi City Council hereby adopts the Lodi Electric Utility's annual electric energy efficiency program targets for energy savings and demand reduction, as shown on Exhibit A attached hereto.

Dated: September 5, 2007

I hereby certify that Resolution No. 2007-180 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 5, 2007, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, Mounce, and
Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL
City Clerk

EXHIBIT A

Lodi Electric Utility

			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Technical Energy Efficiency Potential	Energy (MWh)	System Total	57,327	64,010	68,584	73,050	77,846	82,957	87,621	92,635	97,834	104,120
		Residential	30,766	34,084	36,566	38,861	41,254	43,788	46,267	48,905	51,598	55,406
		Commercial	26,562	29,925	32,018	34,189	36,592	39,170	41,354	43,730	46,236	48,713
		Conventional Industrial	0	0	0	0	0	0	0	0	0	0
		Data Centers	0	0	0	0	0	0	0	0	0	0
		Semiconductor Manufacturers	0	0	0	0	0	0	0	0	0	0
		Labs	0	0	0	0	0	0	0	0	0	0
		System Total	9	10	11	12	13	13	14	15	16	17
	Demand (MW)	Residential	5	6	6	7	7	8	8	9	10	10
		Commercial	4	4	5	5	5	6	6	6	7	7
		Conventional Industrial	0	0	0	0	0	0	0	0	0	0
		Data Centers	0	0	0	0	0	0	0	0	0	0
		Semiconductor Manufacturers	0	0	0	0	0	0	0	0	0	0
		Labs	0	0	0	0	0	0	0	0	0	0
System Total		39,265	43,323	45,850	48,658	51,629	54,759	57,570	60,581	63,618	67,565	
Residential		18,849	20,726	21,874	23,062	24,278	25,554	26,757	28,032	29,310	31,419	
Cost-Effective Energy Efficiency Potential	Energy (MWh)	Commercial	20,416	22,596	23,976	25,596	27,351	29,205	30,813	32,549	34,308	36,147
		Conventional Industrial	0	0	0	0	0	0	0	0	0	0
		Data Centers	0	0	0	0	0	0	0	0	0	0
		Semiconductor Manufacturers	0	0	0	0	0	0	0	0	0	0
		Labs	0	0	0	0	0	0	0	0	0	0
		System Total	5	6	6	7	7	8	8	9	9	10
		Residential	3	3	3	3	4	4	4	4	4	5
		Commercial	3	3	3	3	4	4	4	4	5	5
	Demand (MW)	Conventional Industrial	0	0	0	0	0	0	0	0	0	0
		Data Centers	0	0	0	0	0	0	0	0	0	0
		Semiconductor Manufacturers	0	0	0	0	0	0	0	0	0	0
		Labs	0	0	0	0	0	0	0	0	0	0
		System Total	2,000	4,000	6,000	8,001	10,001	12,001	14,001	16,001	18,001	20,001
		Demand (MW)	System Total	0.2	0.5	0.7	1.0	1.2	1.5	1.7	2.0	2.2
Impact on Forecasted Consumption and Demand	Energy (MWh)	Baseline Energy Forecast	473,890	488,143	492,770	501,518	511,123	521,643	529,433	538,375	547,369	557,864
		After Feasible Targets	471,890	484,143	486,770	493,518	501,122	509,643	515,432	522,374	529,368	537,862
		After All Cost-Effective	434,625	444,821	446,920	452,860	459,494	466,884	471,863	477,794	483,752	490,298
		After Technical	416,563	424,133	424,186	428,468	433,276	438,686	441,813	445,739	449,535	453,744
	Demand (MW)	Baseline Demand Forecast	134	138	139	142	145	148	150	152	155	158
		After Feasible Targets	134	138	139	141	143	146	148	150	153	155
		After All Cost-Effective	129	132	133	135	137	140	142	144	146	148
		After Technical	125	128	128	130	132	134	135	137	139	141
Average Annual Impact on Forecasted Consumption and Demand	Energy (MWh)	Average Annual <u>Technical</u> Potential	2.02%									
		Average Annual <u>Cost-Effective</u> Potential	1.31%									
		Average Annual <u>Feasible</u> Targets	0.39%									
	Demand (MW)	Average Annual <u>Technical</u> Potential	1.18%									
		Average Annual <u>Cost-Effective</u> Potential	0.65%									
		Average Annual Feasible Targets	0.17%									